

EPSO-G
Naujoji energetika



EPSO-G
Invest



TETAS

EPSO-G group strategy 2035



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The statements and indicators outlined in this document are expectations for the future. The information provided is based on the current knowledge, expectations, and assumptions of the EPSO-G group of companies (hereinafter – the Group) regarding future events and trends that may affect the Group's operations.

Forward-looking statements include information about the Group's expected performance, business strategies, contractual relationships, competitive environment, operating conditions, potential growth opportunities, future regulatory impacts, competitive effects, and similar matters. Although the Group believes the estimates and forecasts presented are reasonable, there are risks, uncertainties, and other significant factors beyond the Group's control. These could cause actual results or achievements to differ substantially from those planned.

The realization of the goals set forth in this document may be influenced by changing legal requirements, cost-benefit analyses, and other research findings. Investment volumes and financial forecasts have been calculated based on the information currently available to the Group. Future decision-making may change in response to external circumstances beyond the control of the Group's companies. The strategy is reviewed annually and updated as needed.

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Building Lithuania's energy future

We are at the forefront of critical energy infrastructure projects

Our activities are linked to Lithuania's complex economic and geopolitical energy landscape. Historically dependent on energy imports, Lithuania is determined to move towards self-sufficient, sustainable and carbon-free energy & products exporting economy through the development of a resilient and carbon-neutral energy system.

As the operational arm of the National Energy Independence Strategy, we are at the forefront of critical energy infrastructure projects that enhance system interconnectivity, reliability, and security. Some of our notable recent or ongoing achievements include the synchronisation of the Lithuanian electricity grid with the Continental Europe Network, expansion of gas pipelines to the Klaipeda LNG terminal, enhancement of Latvia-Lithuania gas interconnection, construction of the gas pipeline between Lithuania and Poland, and construction of regional electricity interconnectors with Poland, Sweden, and Latvia.

The energy transmission infrastructure we developed has helped to foster a more sustainable, diversified, and efficient energy exchange in the Baltic Sea region. Lithuania is now free to choose the sources of energy imports, safeguarding our energy independence.

However, as we move forward, we embark on a new journey. An acceleration of local renewable energy development is transforming the energy system and providing Lithuania with tools to replace fossil fuel imports whilst supporting a carbon-free energy system and exporting low carbon products. This requires us to update existing transmission infrastructure, energy system operations and exchanges.

We must develop competencies in low carbon systems and in delivering new energy asset classes. To ensure the achievement of Lithuania's strategic ambition for a carbon-neutral economy, we must also maintain a continuing focus on energy security across electrification, deployment of flexible resources, and system integration. However, to maximise the societal value from potential synergies, we must also grow within and beyond our current activities.

We contribute to new activities that enhance Lithuania's security beyond the energy sector—by engaging in defence industry partnerships and, together with local and international partners, investing in the military industry in Lithuania.

Our people are the key success factor on this journey. Leadership, ownership of the transformation, and expertise will fuel the delivery of the challenge. With this mindset we focus on adaptability, flexibility to seize opportunities, openness to strategic partnerships and cross-sectoral integration, which allows for strengthening the capital base and exploiting synergies for the successful implementation of our renewed strategy.

01

Who we are today



We deliver and operate nationally critical energy infrastructure

Our core business

Is essential for the energy transition and security of supply

Key figures in 2023

1 353
employees

481 M
EUR revenue

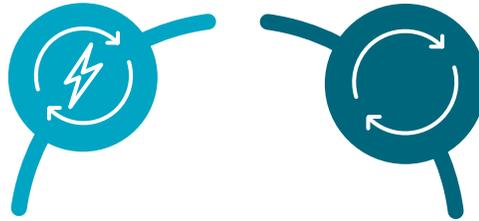
73 M
EUR adj. EBITDA¹

42 M
EUR adj. net profit¹

¹ Regulated revenue, expenses and profitability indicators are recalculated due to temporary regulatory deviations from the regulated profitability indicator approved by the Council, revaluation of non-current assets and other gain/loss from non-ordinary activities.

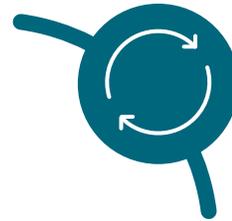
Transmission infrastructure

We deliver and manage critical infrastructure to enable secure and sustainable energy



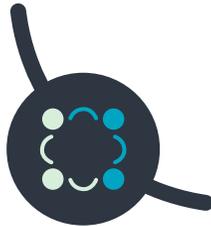
Exchange services

We facilitate the exchange of low carbon fuels to support energy security and decarbonisation goals



System operation

We ensure safe and reliable operation of an integrated energy system



Engineering & investment services

We provide engineering and consulting services for the deployment of environmentally friendly technologies and the development of infrastructure, and we invest in the defense industry.



Our people

Are strategically important for the **energy security** of Lithuania

Ensure governance of our group activities to bring **integrated and efficient** organisational approach

Enable **sustainable energy strategies** implementation of Lithuania and European Union



We support national sustainability, independence and security goals

We have enabled

A sustainable and effective energy exchange and secured solid ground for the energy transformation



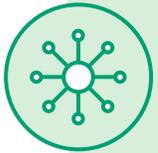
Solid commitment to sustainability

in enabling a climate-neutral energy transition and creating a progressive and sustainable organisation



Accelerating renewable energy

5.4 GW of RES wind and solar capacity integrated into the system, 7-fold increase compared to 2020



Interconnecting energy system

integrated with EU gas and electricity markets



Creating energy exchanges

scaled-up in the region with biomass and gas exchanges

Solid track record in executing large projects



NordBalt – 2016¹

Lithuania – Sweden subsea power interconnection



LitPol Link – 2016

Lithuania – Poland power interconnection



GIPL – 2022

Lithuania – Poland gas interconnection



ELLI – 2022

Lithuania – Latvia gas interconnection



Physical barrier – 2022

Installation of a 550 km of physical barrier



BEKS – 2023

The electricity storage system with a combined capacity of 200 MW/MWh



Synchronisation – 2025

with continental European grid

¹ start of exploitation or commercial use

02

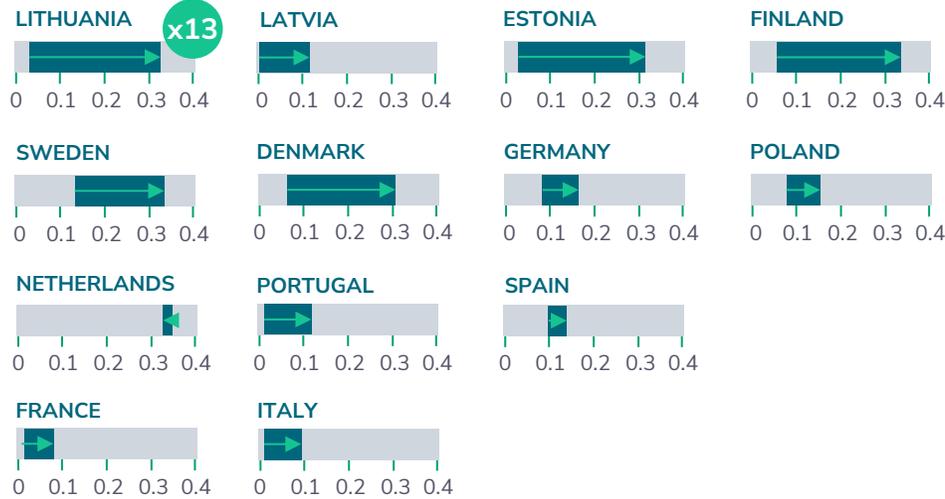
Our strategic context



Transformation of the Baltic energy system is underway, creating the potential for a vast interconnected region

Annual new wind and solar capacity installation per capita in selected European countries from start 2020 to end 2023 (kW/cap) *

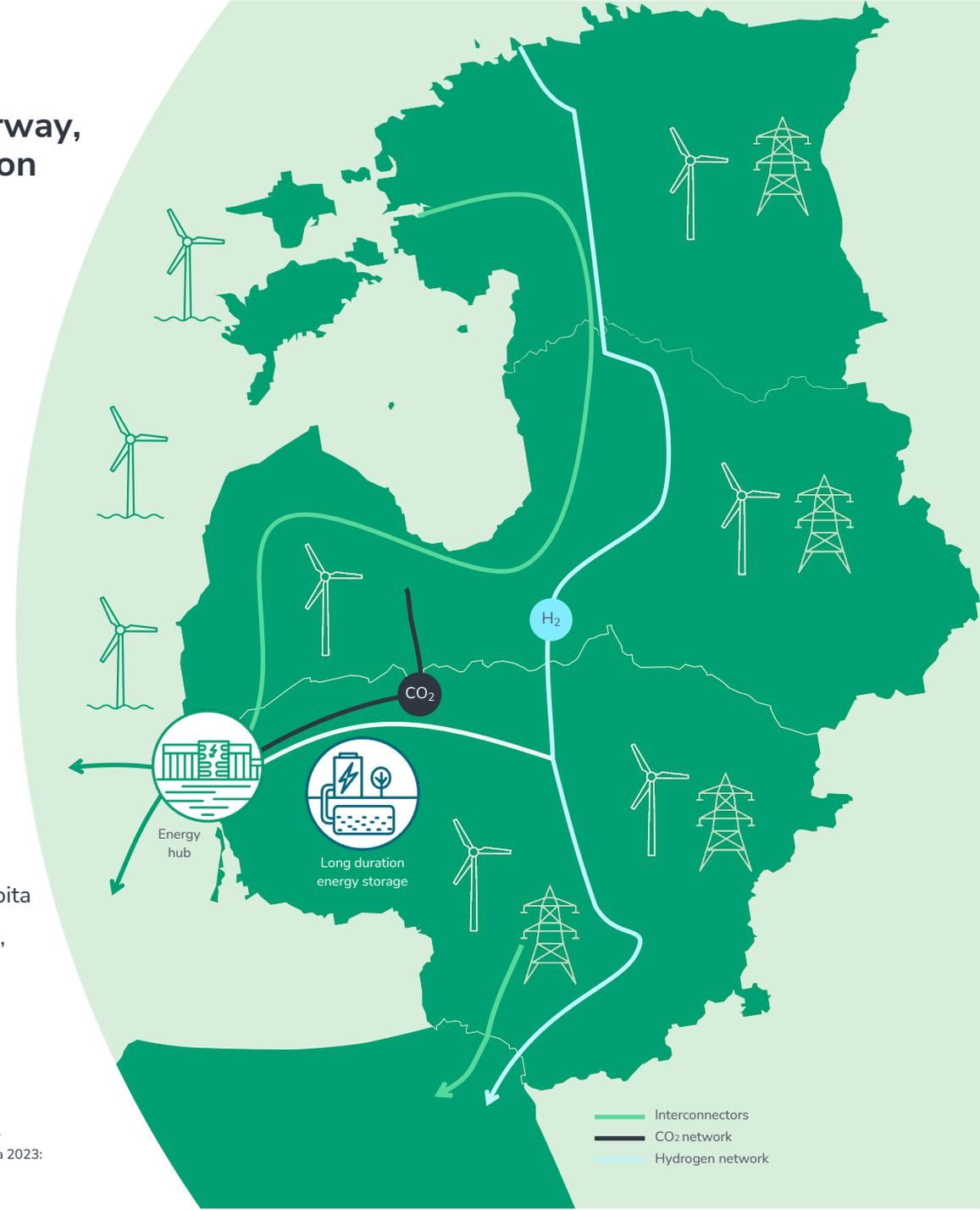
2020–2023



Regional trends:

- The Baltic region is currently the leader in Europe for RES capacity additions per capita
- Risk to peace, supply chain issues and volatile commodity prices are major concerns, but balanced by increased policy certainty
- Regional cross-border integration, new transmission infrastructure, growth of demand via electrification and flexibility resources are needed to maintain development of RES and zero-carbon technologies

Source: ENTSO-E Transparency Platform; PCI-PMI Transparency platform; Lithuania Energy System Transformation to 2050 study, LITGRID (for Lithuania only), and other sources. *Note: data takes the first day of the year. Lithuania 2020: additional 72 MW, 2,809,977 population. Lithuania 2023: additional 934 MW, 2,857,279 population.



Baltic sea region has strong potential for significant RES and decarbonisation technology additions.

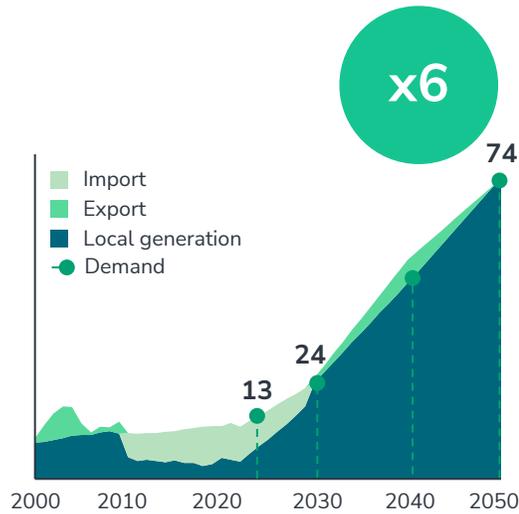
Complex global dynamics are shaping our environment



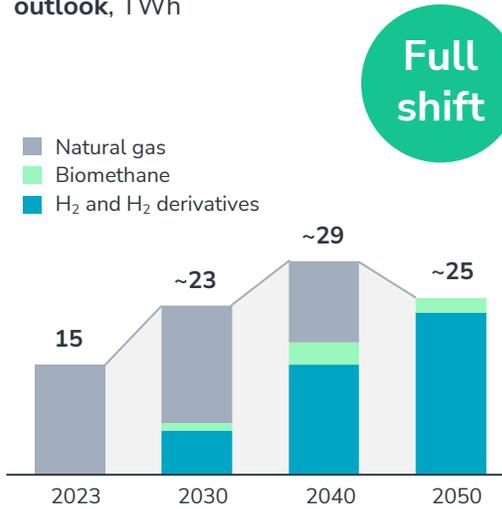
Lithuanian National Energy Independence Strategy

Significant growth in renewable generation to meet demand growth and create exports alongside a transition away from fossil-based methane to hydrogen. Growth in renewables requires enhanced system flexibility, through interconnections and other cross-sectoral flexible resources.

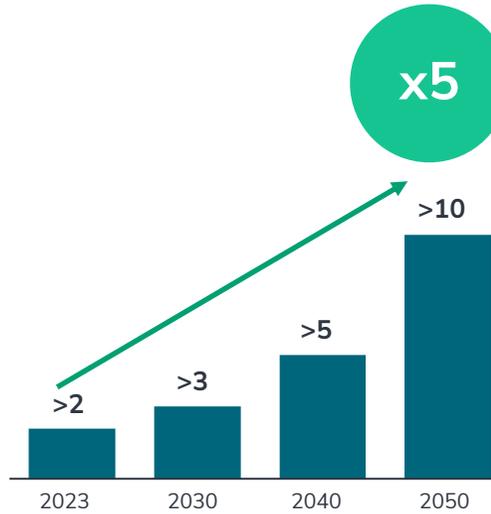
Lithuanian electricity demand and supply outlook, TWh



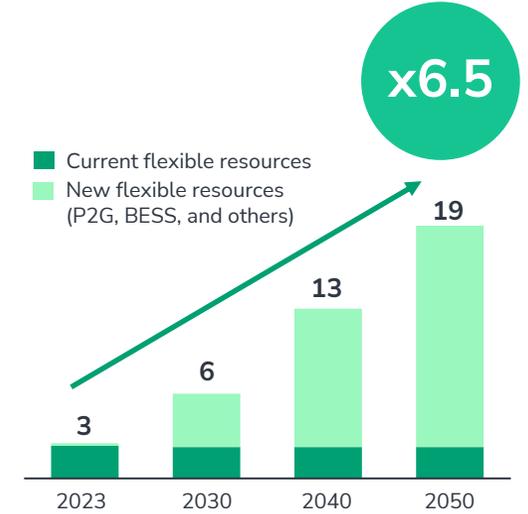
Lithuanian methane and H₂ and H₂ derivatives demand outlook, TWh



Lithuanian interconnection capacity, GW



Lithuanian flexible resources (excl. Interconnections), GW



Ambitious national strategy

To be climate neutral, energy independent and a net exporter of power and low carbon energy products by 2050

03

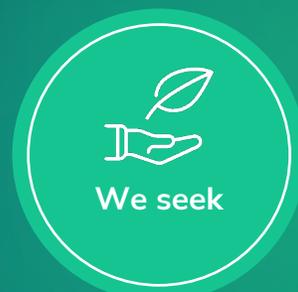
Our mission and commitments





OUR PURPOSE

To power a confident and green future in an ever-changing world



OUR VISION

To enable the transformation of the energy industry while simultaneously safeguarding national security interests



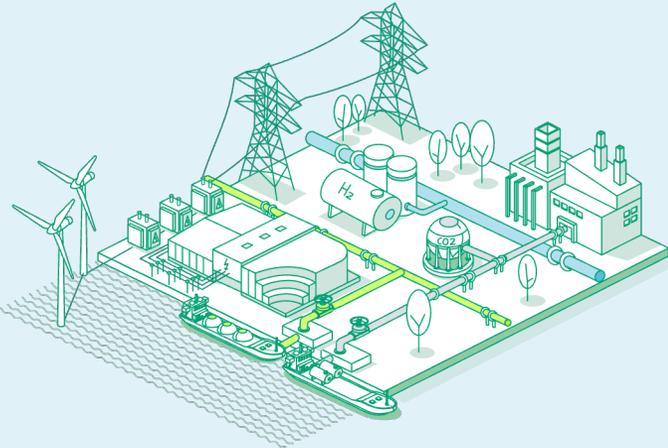
OUR MISSION

To accelerate energy independence and enhance system security

Our three fundamental commitments

Infrastructure,
Security,
Strategic
partnership

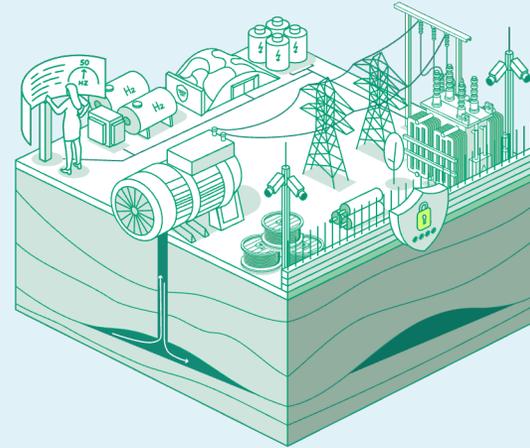
Driver of tomorrow's infrastructure



1

We see the transformation of the energy sector as a **fundamental** change. Our goal is to **provide the infrastructure** upon which the **net-zero energy system** will be based.

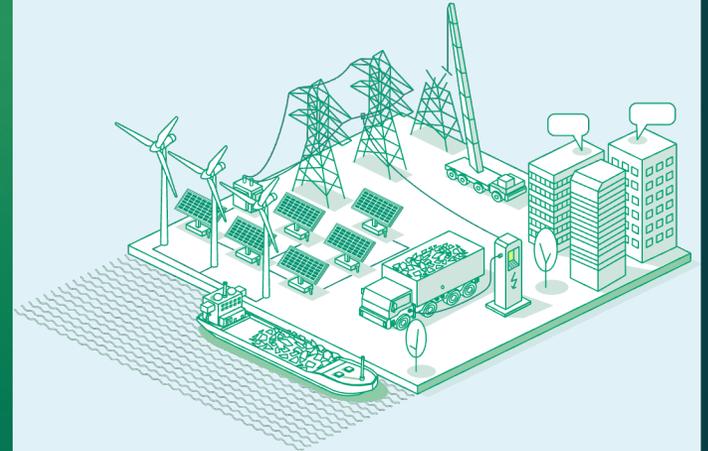
Provider of security and reliability



2

We aim to **enhance security** and **reliability** within and beyond the energy sector, strengthening **system flexibility** and **national security**. Our work is essential for a reliable future.

Vital and skilled strategic partner

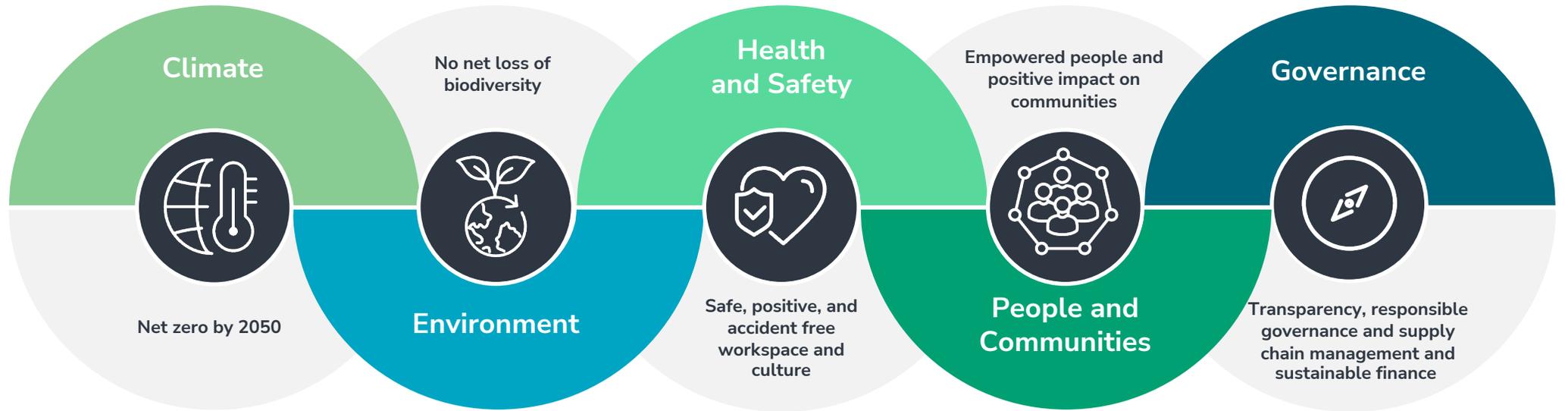


3

Energy transition requires a systemic and **close cooperation** of various industry peers, investors and governments. Our goal is to **be a vital partner** in developing low-carbon infrastructure and markets.

Our key guiding principles and sustainability targets for creating positive impact

Our business strategy directly targets 7 UN SDGs while contributing to all the others



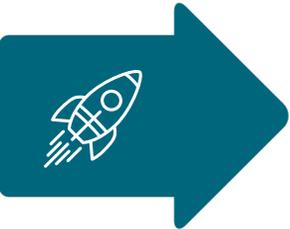
Building a stronger organisation for our people

Focusing on our unified culture and identity

We are targeting:



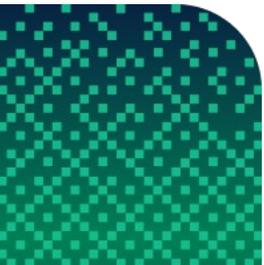
Building a **unified Group culture** and identity



Employer of choice



Ensure **development and growth** of our people



Organisational capability and sustainability

We develop capabilities to enable the energy transformation. We refine our work environment and processes and interact with education institutions.



Identification and application of future competences



Matrix leadership focused development



Promote energy profession



Creating new tools to attract and maintain workforce

Leadership and talent growth

We rely on our ability to constantly learn for the Group and its people to flourish. We will focus on creating opportunities to further develop talents and leadership skills.



Employee growth via talent review and succession



Focused development of professionals across the whole value chain



Engaging and empowering employees



Ensure transparency, diversity and engagement

04

Strategic framework & strategic pursuits



Our strategic framework

ENABLERS

Financing

Supply chain & procurement

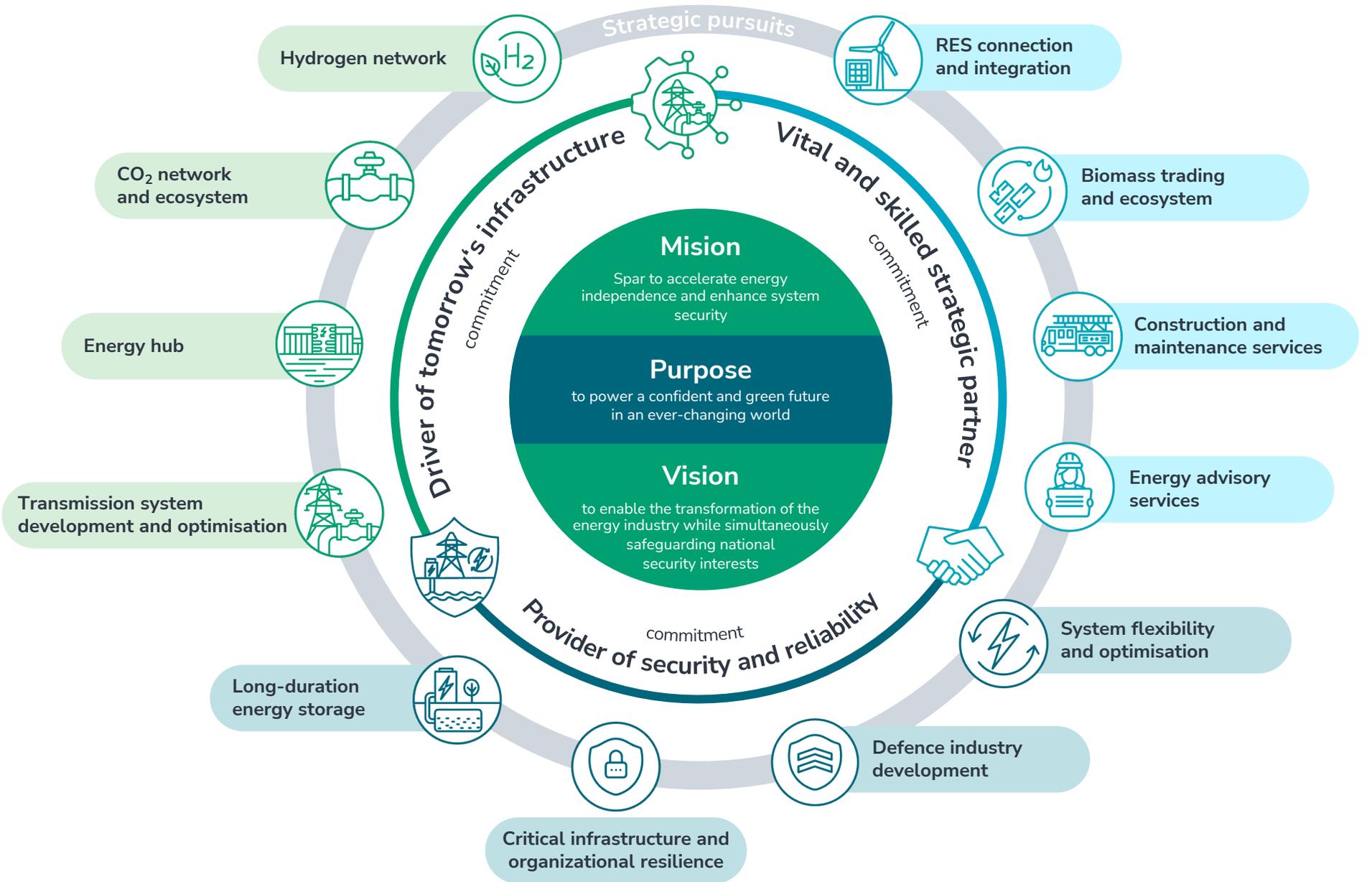
People, culture and capabilities

Partnerships

Asset delivery and management

Energy market development

Innovation and digitalisation



Driver of tomorrow's infrastructure

We see the transformation of the energy sector as a fundamental change

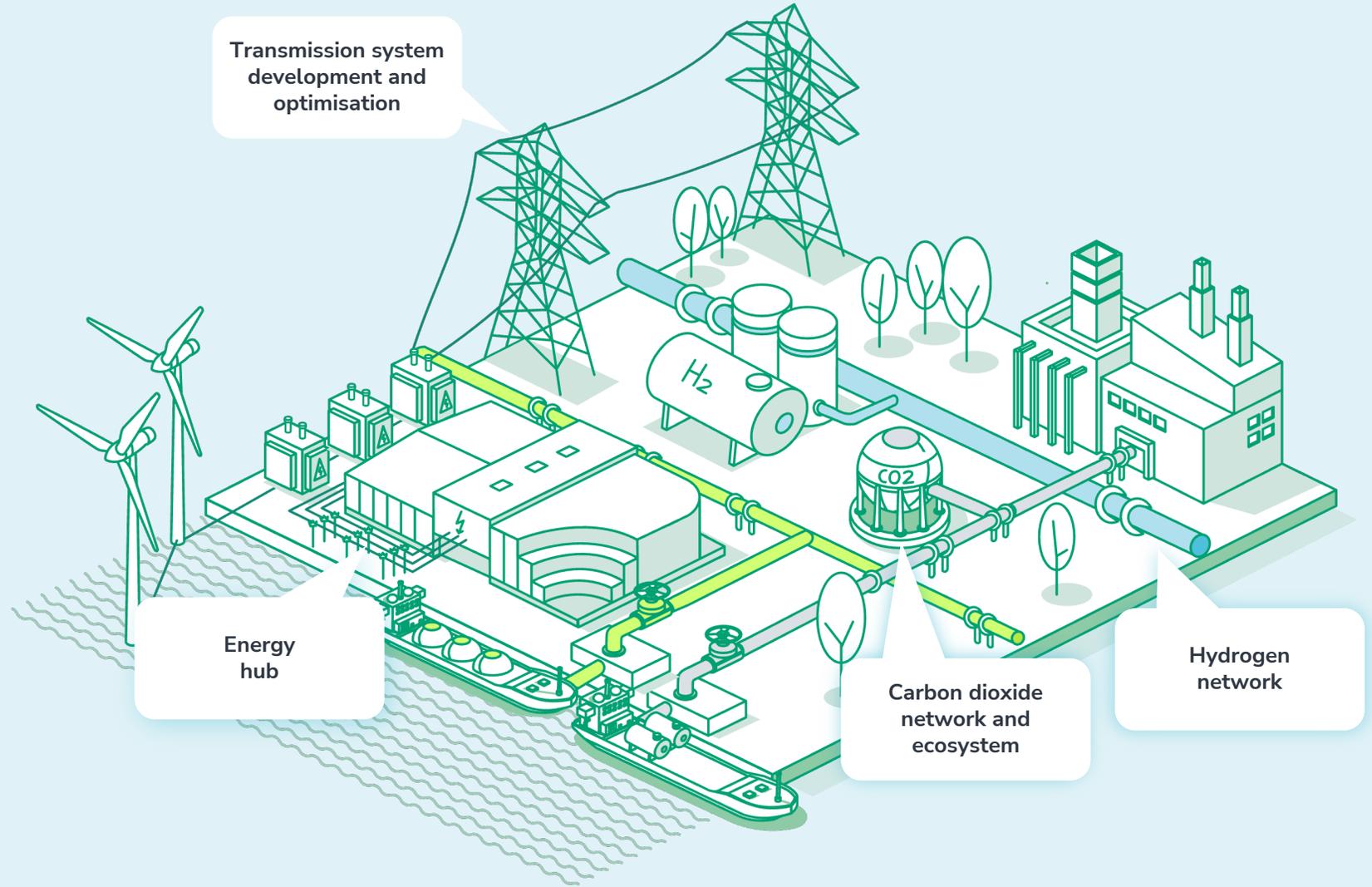
We support increasing connectivity across existing and new energy vectors

We are leading the way for successful integration of the new energy vectors like hydrogen, CCUS, synthetic gases

1

OBJECTIVE

Is to build the infrastructure upon which the future of energy will be based



Driver of tomorrow's infrastructure

Lithuanian energy strategy 2050

≥ 74 TWh

total electricity consumption

≥ 24 TWh

H₂ production

≥ 9 TWh

H₂ derivatives

≥ 10,7 GW

cross-border electricity interconnectors capacity

We support increasing connectivity and are leading the way for successful integration of new and existing energy vectors

Energy transformation requires continuous **Transmission system development and optimisation:**



We are preparing for **electrification** of energy system and **optimization** of gas network to be fit for future needs



We will provide the **infrastructure for hydrogen transmission** to accelerate Lithuania hydrogen ecosystem development



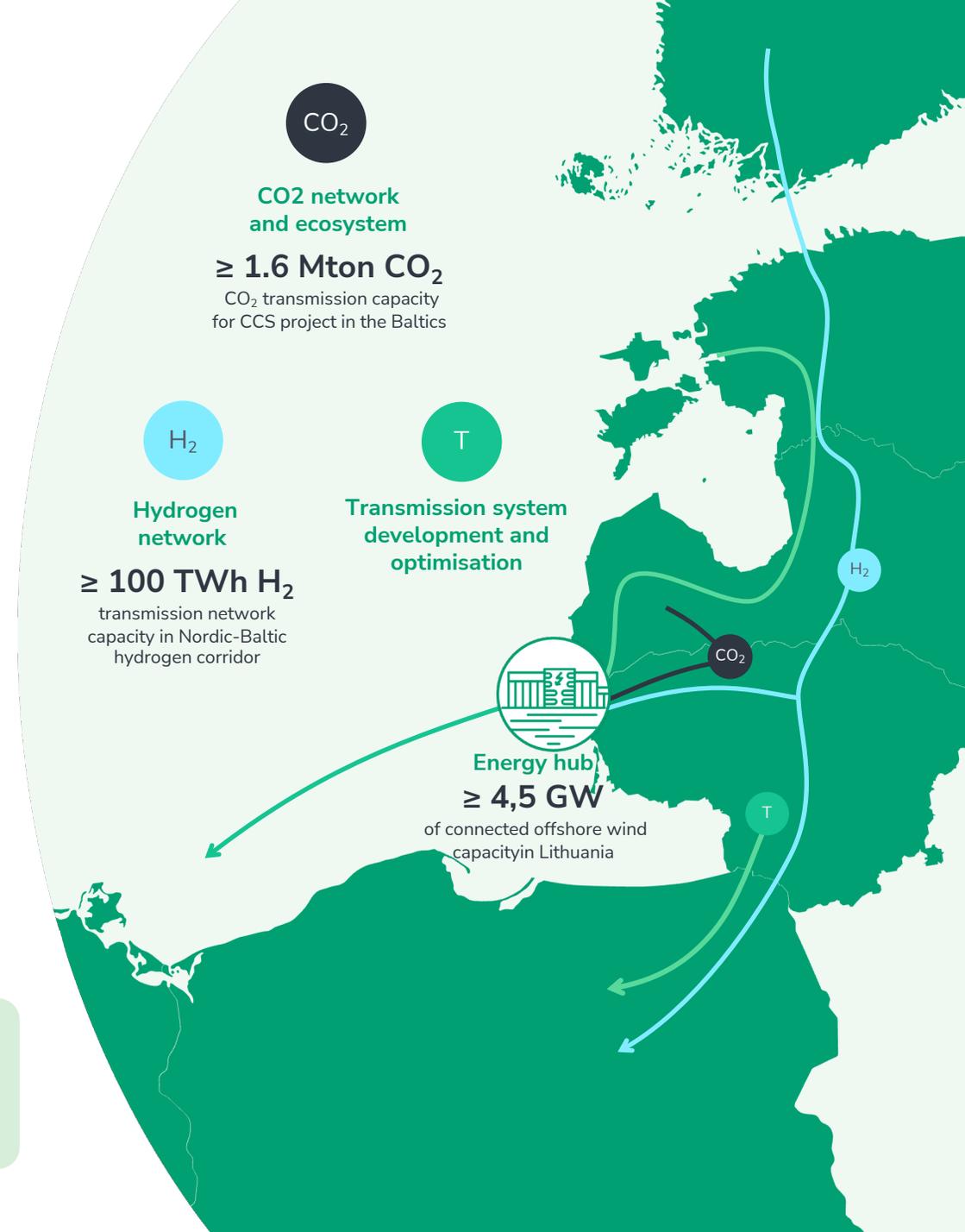
We will **facilitate regional cooperation** to unlock the full potential of offshore wind and onshore greenhydrogen production



We will explore potential to provide **CO₂ network** to support decarbonization as well as development of higher-value ~ products ecosystem

Potential investments until 2035

Up to 5 B EUR



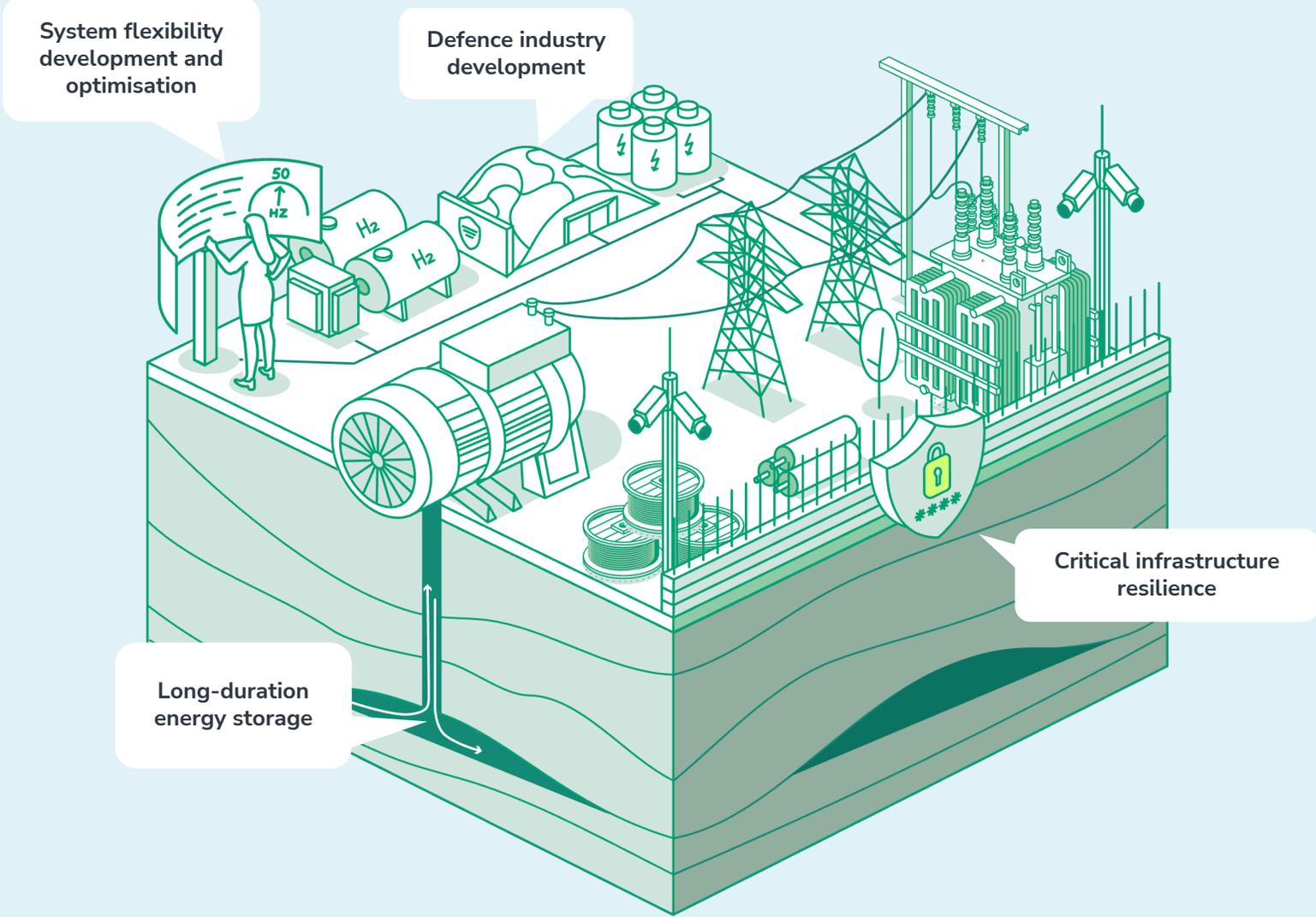
Provider of security and reliability

Our work is essential for a reliable future

We will deliver a more resilient and flexible system

We are taking extra steps both within and beyond our current boundaries to support national security

2 **OBJECTIVE**
enhance security and reliability within and beyond the energy sector, strengthening national and regional security



Provider of security and reliability

Safeguarding resilience of critical infrastructure



We strengthen the safety of our assets against physical and cyber threats, and act as a strategic partner for national security initiatives

Cyber & physical security

Significantly strengthened through passive and active protection measures.

Defence industry development



Through strategic partnerships, we invest in Lithuania's security and develop the capabilities of the defence industry

2027

Start of commercial operations of the 155 mm artillery ammunition plant in Baisogala.

Until 2030

Other new defense partnerships aligned with Lithuania's national needs.

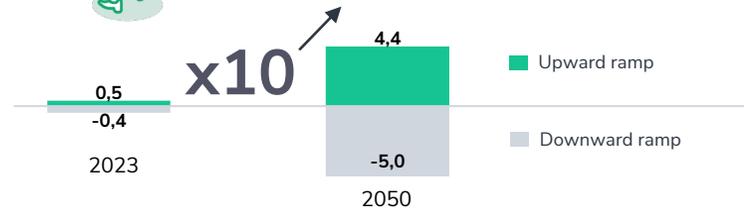
We will deliver a more resilient and flexible system, taking extra steps both within and beyond our current boundaries to support national security

Development and use of the most efficient flexibility resources

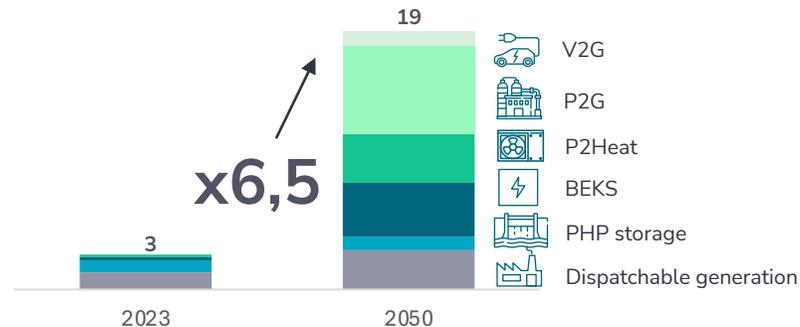


Increasing levels of intermittent power generation requires significant development of system flexibility and cross-sector integration:

Estimated needs for short duration flexibilities in Lithuanian power system, GW/h²



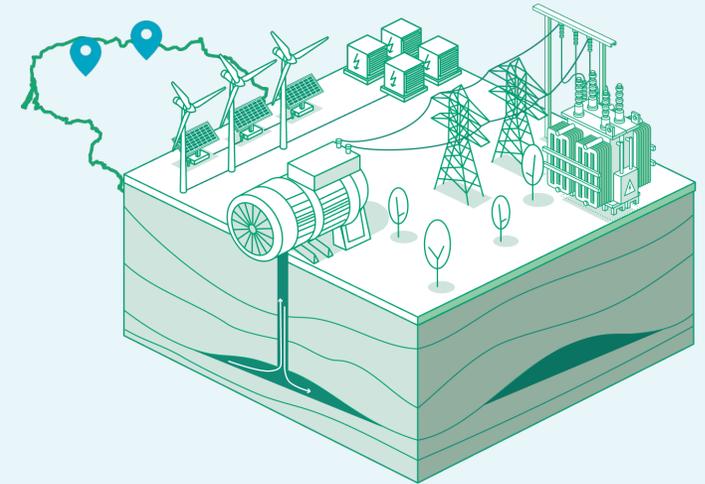
Flexible resources, GW¹



¹Lithuania National Energy Independence Strategy

²Lithuanian energy system transformation study

Developing of long-term energy storage



We are investigating long-term energy storage solutions to support system resilience whilst enabling the energy transition

Key stats:

~ 6 TWh

Required seasonal storage capacity (2050)²

~0,3–1 TWh

Potential underground Compressed Air Energy Storage capacity (2040)

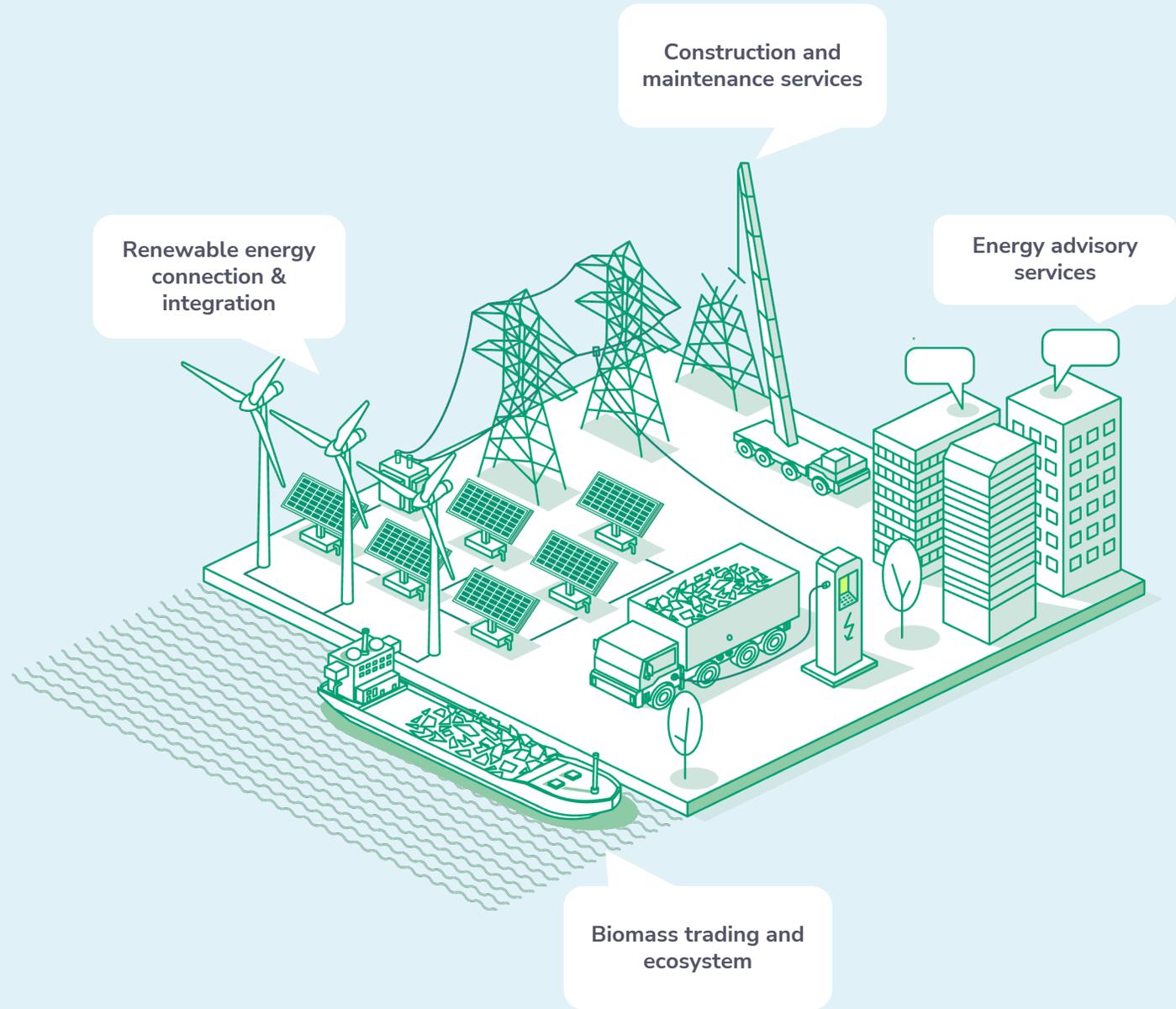
Vital and skilled strategic partner

Energy transition requires a systemic and close cooperation of various industry peers, investors and governments

We will foster close cooperation to unlock the potential of renewables both at home and in the Baltic Sea region

We will enhance synergy and integration of different business sectors

3 OBJECTIVE
Be a vital partner in developing low-carbon infrastructure and markets



Vital and skilled strategic partner

We will foster close cooperation to unlock the potential of renewables both at home and in the Baltic Sea region

Rapid growth of RES encouraged us to strengthen and extend our activities to support energy transformation:

Lithuanian energy strategy 2050

95 %

Target RES share in final energy demand

~80 %

Target share of electric transport

3,4 TWh

Biomethane production

24,9 GW

Electricity generation capacity from RES



Biomass trading & ecosystem services

We are developing new services and expanding into regional markets to increase transparency and competition in biomass trades.

~60 %

Share of the Baltic Sea region's biomass energy traded (TWh) by 2035



Energy advisory services

To foster energy transformation, we will leverage in-house expertise and consult developers, investors and operators of low carbon infrastructure.

BESS

focus on integration, development and operation



Renewable energy connection & integration

To achieve energy independence, we will continue ensuring connection and integration of large amounts of renewable energy resources.

13,4 GW

Electricity generation capacity by 2035



Construction & maintenance services

We will extend our activities seeking to support construction, connection and maintenance services of RES in the region.

~15 %

Projected international revenue share



05

Our key enablers



Force multipliers to empower change

To deliver our ambitious objectives we are unleashing a range of enablers across our business.

1 Financing



Diversified funding base



Strong relationships with capital providers



Prioritisation of investments that have the highest return and impact

3 Supply Chain & Procurement



Diverse range of suppliers



Leveraging collective buying power



Utilising a wide range of procurement platforms

5 Innovation & Digitalisation



Cutting-edge technologies



Through 'big data' to 'smart data'



Digital literacy & Culture

2 Partnerships



With industry peers



With local and EU regulators



With academic organisations

4 Asset Delivery & Management



Project management methodologies



Digital asset management tools



Proactively managing portfolio-level risks

6 Energy Market



Integration into the European energy markets



Ensure access, competition & transparency



Development of market frameworks, mechanisms and platforms

Culture & Capabilities

Our success is driven by expertise, continuous learning and the ability to act in a constantly changing environment

We will **grow our team by** more than 20% with attraction of local and international experts

> 20%

Lithuania's energy future is driven by our people with unified values

Open

Reliable

Responsible



Areas driving business growth



Renewables



Energy storage and electrification



Carbon transportation & storage



Hydrogen integration and transportation



Defence industry



Power to X technologies

06

Our strategic roadmap and KPIs



Powering a confident and green future in an ever-changing world

Describing 2035 Success: Value proposition for our stakeholders

1 Society thrives in a sustainable economy

 **-70 %**
GHG gas emission (Scope 1 and 2) reduction by 2030, reaching net-zero by 2050

2 Clients experience seamless and high quality services

 **AIT ≤ 0,93 min**
ENS ≤ 27,25 MWh
Maintain electricity transmission reliability

 **≥ 80 points**
Global Customer Satisfaction Index (GCSI) as a leading companies rating scores

 **0 unplanned gas interruptions**
Uninterrupted gas transmission and fast fault recovery

3 Our people are empowered

 **Safe, positive, and accident free workspace and culture**
0 severe and fatal accidents for employees and contractors

 **≥ 70 %**
employee engagement rate maintained

 **Top Employer certificate**

4 Founders and investors unlock new possibilities and reap the rewards

 **≥ 260 M EUR**
Group adjusted EBITDA grown to by 2035

 **High single**
average adjusted ROE

 **≤ 6 x**
Annual net debt to adjusted EBITDA ratio

 **Financial status ≥ Baa2**
or equivalent

 **CAPEX 90-110 %**

5 Partners collaborate for success

 **≥ 12 GW**
onshore renewables capacity connected to electricity network

 **≥ 26 TWh/year H₂**
International transmission capacity

 **≥ 1,4 GW**
Installed capacity of offshore wind (Offshore wind integration will depend on the pace of project implementation; project plans have not yet been updated.)

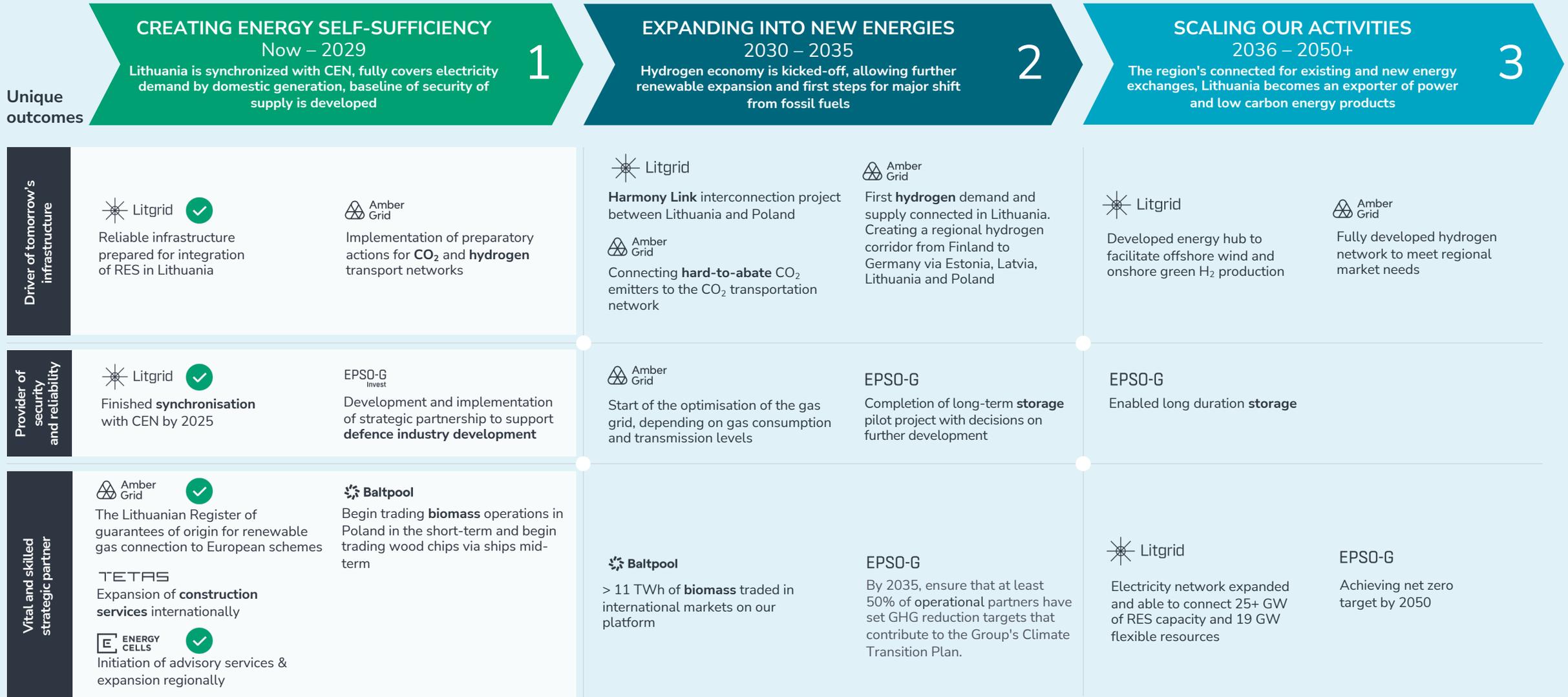
 **≥ 1.6 Mt CO₂**
International transmission capacity for CO₂ captured by cement producers

 **~1,4 TWh**
of RES gases injected into the gas grid

 **≥ 12,2 GW**
capacity of flexible resources

 **≥ 3,5 GW**
capacity of interconnectors with EU countries

Our roadmap delineates three distinct time horizons, each with unique outcomes built on the successes of its predecessors



07

Our financial outlook



Significant investments to achieve Lithuania's energy independence

Low capital intensive

Vital and skilled partner

- RES connection and integration
- Biomass trading and ecosystem
- Construction & maintenance services
- Energy advisory services

Medium capital intensive

Security and reliability

- Long-duration energy storage
- Critical infrastructure resilience
- Defence industry development
- System flexibility development and optimisation

High capital intensive

Tomorrow's infrastructure

- Hydrogen network
- CO₂ network and ecosystem
- Energy hub
- Transmission system development and optimisation

5-7 B

EUR CAPEX

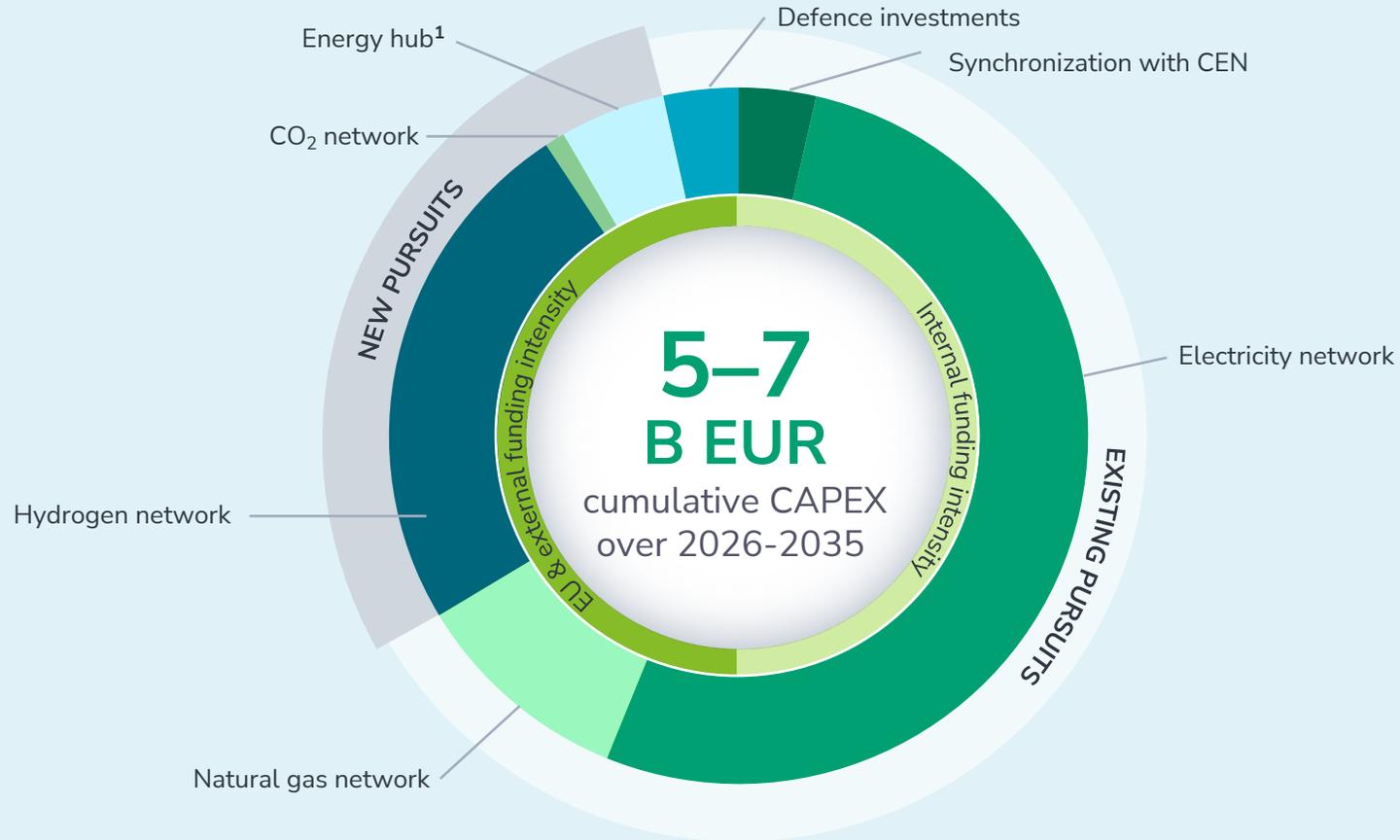
by 2035



Our CAPEX investment ambition

We are focused on upgrading and extending our current network and developing new transmission infrastructure

Planned 2026-2035 investments by project¹, B EUR



Investments to be financed through multiple funding sources, such as:

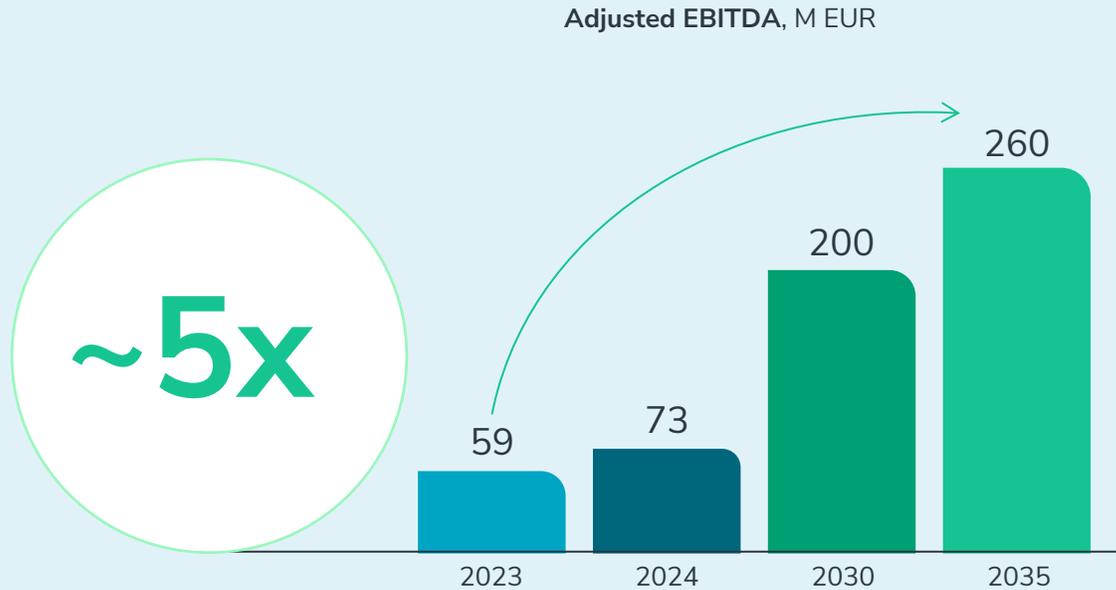
-  Maximize EU & external funding
-  Introduce Partnerships
-  Optimization of debt and equity

¹ Base case scenario of EPSO-G financial projections includes deployment of Energy Hub investments post-2035 due to high uncertainty of the timing, requirement for regional agreement and cost-sharing arrangements. Other alternative scenarios for financial projections assume Energy Hub investment project starting year in 2028.

Through substantial investments, we will drive robust growth of the group while ensuring long-term financial stability

Adjusted EBITDA

New investments are expected to result in a **5-fold increase** in adj. EBITDA by 2035



Profitability

Our profitability for shareholders **will be maintained**



Financial status

We are dedicated to maintaining solid investment-grade rating, with a long-term credit rating **not lower than 'Baa3'**



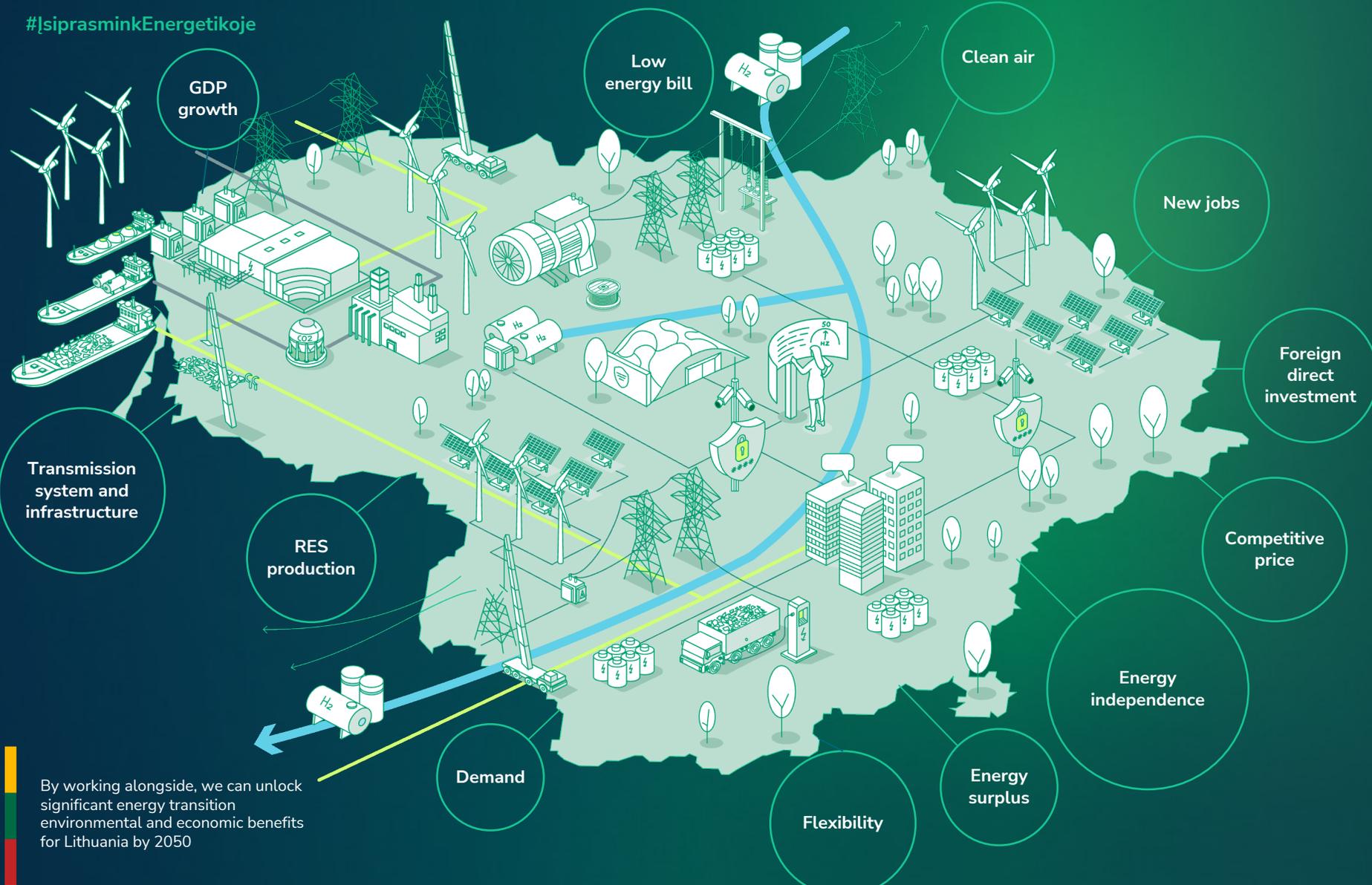
08

Value for Lithuania



Let's create Lithuania's energy future together!

#IspirasminkEnergetikoje



Greater benefits for Lithuania's environment and economy by 2050.

Up to
6.3 B EUR
due to positive impact on employment and economy

6 B EUR
avoided energy import costs

1.4 B EUR
avoided costs on EU Carbon Permits

Up to
1 B EUR
due to lower electricity wholesale price

Up to
10 %
growth of labour market

By working alongside, we can unlock significant energy transition environmental and economic benefits for Lithuania by 2050

Glossary

Acronym	Definition	Acronym	Definition
AI	Artificial intelligence	LDES	Long-duration energy storage
AIT	Average interruption time	LNG	Liquified natural gas
B	Billion	LT	Lithuania
BESS	Battery energy storage solution	Mton	Millions of tonnes
CAES	Compressed air energy storage	MW / MWh	Megawatt / Megawatt hour
CAPEX	Capital expenditure	O&M	Operations & maintenance
CCS	Carbon capture & storage	OHL	Overhead line
CCUS	Carbon capture, usage & storage	OPEX	Operational expenditure
CHP	Combined heat & power	PHP	Pumped hydro plant
CO ₂	Carbon dioxide	P2G	Power to gas
CP	Charge point	P2Heat	Power to heat
CPO	Charge point operator	RAB	Regulated asset base
EBITDA	Earnings before interest, tax, depreciation, and amortisation	ROE	Return on equity
ENS	Energy not supplied	RES	Renewable energy sources
ESG	Environmental, social, and corporate governance	Scope 1 emissions	The Group's direct GHG emissions that are directly controlled by the organization
EU	European Union	Scope 2 emissions	The Group's indirect GHG emissions from uncontrolled sources, which result from the Group's consumption of externally sourced electricity and heat
EUR	Euro	Scope 3 emissions	Other indirect GHG emissions during the Group's operations (in the supply chain) from sources not owned or controlled by the Group (such as purchased goods and services, transportation, waste, etc.)
GCSI	Global customer satisfaction index	SBTi	Science based targets initiatives
GDP	Gross domestic product	SMR	Small modular reactors
GHG	Green-house gases	TSO	Transmission system operator
GW / GWh	Gigawatt / Gigawatt hour	TW / TWh	Terawatt / Terawatt hour
H ₂	Hydrogen	UN SDG	UN Sustainable development goals
KPI	Key performance indicator	V2G	Vehicle to grid
kW/cap	Kilowatts per capita	WACC	Weighted average cost of capital